

JOE B. ADAMS
CONSULTING GEOLOGIST

December 10, 2004

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275
Baton Rouge, Louisiana 70804-9275

Re: APPLICATION FOR PUBLIC HEARING
MIOGYPSINOIDES ZONE, RESERVOIR E
West Gueydan Field
Vermilion Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of TOLAR ENERGY, LLC (Applicant") for the calling of a public hearing, after legal notice to consider evidence relative to the issuance of an order pertaining to the following matters relating to the MIOGYPSINOIDES ZONE, Reservoir E in West Gueydan Field, Vermilion Parish, Louisiana:

1. To create a single drilling and production unit of approximately 534 acres for the exploration for and the production of gas and condensate from the Miogypsinoides Zone, Reservoir E in West Gueydan Field, Vermilion Parish, Louisiana, said unit to be designated MIOGYP RE SUA, as shown on the attached plat;
2. To force pool and integrate all separately owned tracts, mineral interest and other property interest within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate Tolar Energy, LLC as the operator for the proposed MIOGYP RE SUA.
4. To provide that future wells drilled outside the MIOGYP RE SUA shall be located in accordance with the provisions of Statewide Order No. 29-E.
5. To provide for future reclassification of the reservoir by Supplemental Order without the necessity of a public hearing if the producing characteristics of the reservoir so warrant and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
6. To consider such other matters as may be pertinent.

The MIOGYP ZONE, RESERVOIR E in West Gueydan Field, Vermilion Parish, Louisiana is hereby defined as that gas and condensate bearing sand encountered between the measured depths of 17,160 feet and 18,000 feet, (ELM), (TVD of 16,977 feet and 171750 feet) in the Sandefer Petroleum Corporation – Vincent Reese No. 1 well, located in section 31, Township 11 South - Range 2 West, Vermilion Parish, Louisiana.

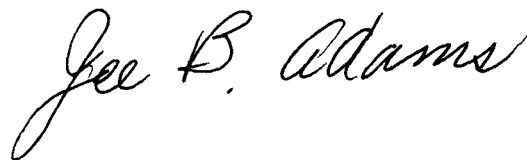
A conference to discuss the proposed application and any opposition thereto was provided for; however no one requested the conference; therefore none was held and this application is being made under the provisions of the Revised Rules of Procedure.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to who notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat is enclosed herewith, and a copy of this letter and the attached plat is being sent to the District Manager of the Lafayette District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for POSTING of a copy of the legal notice of the hearing and the enclosed plat at a prominent place in the area affected and will cause the LEGAL NOTICE to be PUBLISHED in a newspaper of general circulation in the vicinity of the West Gueydan Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice.

Also enclosed is a check, in the amount of \$ 755.00, payable to the Louisiana Office of Conservation, which represents the required hearing fee.

Yours Very Truly,

A handwritten signature in cursive script that reads "Joe B. Adams". The signature is written in dark ink and is positioned above the printed name.

Joe B. Adams

cc: Mr. Richard Hudson, District Manager
Lafayette District, Office of Conservation
All Interested Owners, Interested Parties and
Represented Parties

